



United States  
Department of  
Agriculture

Farmers  
Home  
Administration

Washington  
D.C.  
20250

August 5, 1982

SUBJECT: Termination of Emergency Major Adjustment and Annual  
Production Loan Authorities on September 30, 1982

TO: State Directors, Farmer Programs Chiefs, District Directors,  
County Supervisors, and Director, Finance Office

This AN will serve as a reminder of the subject loan termination date which is set out in Section 1945.66 (d) of FmHA Instruction 1945-B and Section 1945.166 (d) of FmHA Instruction 1945-D. Also, this AN prescribes the procedure for orderly handling of such loan applications by field offices before the termination date.

EM MAJOR ADJUSTMENT (SUBTITLE A OR B) LOANS

Authorized FmHA officials must approve obligations on Item 43 of Form FmHA 1940-1, place the required applicant's notification statement in the mail (see Item 44 of Form FmHA 1940-1), and notify the Finance Office either through field terminals before close of business September 22, 1982, or by forwarding Form FmHA 1940-1, "Request for Obligation of Funds," in time for receipt in the Finance Office before close of business September 24, 1982. The Finance Office will not process any EM major adjustment loan requests received after September 24, 1982.

EM ANNUAL PRODUCTION LOANS

Only borrowers who had an EM loan(s) outstanding on December 15, 1979, may receive subsequent EM annual production loans on or after October 1, 1982. These loans are subject to the provisions set out in Section 1945.66 (b)(2)(i) of FmHA Instruction 1945-B or Section 1945.166 (b)(2)(i) of FmHA Instruction 1945-D.

For all other EM borrowers, authorized FmHA officials must approve obligations on Item 43 of Form FmHA 1940-1, place the required applicant's notification statement in the mail (see Item 44 of Form FmHA 1940-1) and notify the Finance Office either through field terminals before close of business September 22, 1982, or by forwarding Form FmHA 1940-1, "Request for Obligation of Funds," in time for receipt in the Finance Office before close of business September 24, 1982. Except for borrowers who had an EM loan(s) outstanding on December 15, 1979, the Finance Office will not process EM annual production loan requests received after September 24, 1982.

EXPIRATION DATE: March 31, 1983


FILING INSTRUCTIONS: Preceding  
FmHA Instruction 1945-A



Farmers Home Administration is an Equal Opportunity Lender.  
Complaints of discrimination should be sent to:

County Supervisors will advise affected applicants and borrowers of the above provisions through the use of the attached sample format. Appropriate steps should be taken well in advance of October 1, 1982, to see that affected borrowers have been advised and that appropriate loan approval and loan servicing actions have been planned.

Before an EM actual loss loan can be approved, particularly after September 30, 1982, it must be determined that the applicant has access to any additional financing needed to continue the farming operation. In making this determination, consideration must be given to whether the applicant qualifies for OL, FO and SW loan assistance, or for a loan(s) from other creditors either with or without ~~an~~ FmHA subordination.

  
CHARLES W. SHUMAN  
Administrator

Attachment

736(1945)

LETTER FOR NOTIFYING APPLICANTS AND BORROWERS  
OF CHANGE IN EMERGENCY LOAN PROGRAM

United States Department of Agriculture  
Farmers Home Administration  
(Insert Address)

\_\_\_\_\_  
Date

Dear \_\_\_\_\_:

This is to advise you that after September 30, 1982, as provided by law, most farmers seeking emergency (EM) loan assistance from the Farmers Home Administration (FmHA) will be considered for actual loss loan(s) only.

Only those farmers who were indebted to FmHA for EM loans on December 15, 1979, can be considered for EM annual production loans. However, other farmers indebted to FmHA for EM loans may be considered for regular farm operating (OL), farm ownership (FO), or soil and water (SW) loans to continue their farming operations.

If you have any questions concerning this major change in the EM program, or the OL, FO, or SW loan programs, you should contact this FmHA County Office immediately. The address and telephone number are as follows:

(Insert county office address and telephone number.)

Sincerely,

County Supervisor  
Farmers Home Administration